

UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF MICHIGAN

TRANSMITTAL OF FINANCIAL REPORTS AND  
CERTIFICATION OF COMPLIANCE WITH  
UNITED STATES TRUSTEE OPERATING REQUIREMENTS FOR

THE PERIOD ENDED: 12/31/24

In re:

Case Number: 24-31912-jda

COST LESS DISTRIBUTING, INC.,

Chapter 11

Debtor:

Hon. Joel D. Applebaum

/

As debtor in possession, I affirm:

1. That I have reviewed the financial statements attached hereto, consisting of:

<input type="checkbox"/>	Operating Statement	(Form 2)
<input type="checkbox"/>	Balance Sheet	(Form 3)
<input type="checkbox"/>	Summary of Operations	(Form 4)
<input type="checkbox"/>	Monthly Cash Statement	(Form 5)
<input type="checkbox"/>	Statement of Compensation	(Form 6)
<input type="checkbox"/>	Schedule of In-Force Insurance	(Form 7)

and that they have been prepared in accordance with normal and customary accounting practices, and fairly and accurately reflect the debtor's financial activity for the period stated;

2. That the insurance, including workers' compensation and unemployment insurance, as described in Section 5 of the Operating Instructions and Reporting Requirements For Chapter 11 Cases is in effect; and, (If not, attach a written explanation) YES  NO
3. That all post-petition taxes as described in Sections 9 of the Operating Instructions and Reporting Requirements For Chapter 11 cases are current.  
(If not, attach a written explanation) YES  NO
4. No professional fees (attorney, accountant, etc.) have been paid without specific court authorization. (If not, attach a written explanation) YES  NO
5. All United States Trustee Quarterly fees have been paid and are current.  
YES  NO
6. Have you filed your pre-petition tax returns.  
(If not, attach a written explanation) YES  NO

I hereby certify, under penalty of perjury, that the information provided above and in the attached documents is true and correct to the best of my information and belief.

Dated: 1-16-25

  
Debtor in Possession

VP  
Title

Phone

Form 1

**OPERATING STATEMENT (P&L)**  
 Period Ending: 12/31/24  
 Case No: 24-31912-jda

	Current Month	Total Since Filing
Total Revenue/Sales	\$484,546.79	<u>\$1,327,400.34</u>
Cost of Sales	\$301,615.86	<u>\$763,238.48</u>
<b>GROSS PROFIT</b>	<u>\$182,930.93</u>	<u>\$546,161.86</u>
<b>EXPENSES:</b>		
Officer Compensation	\$8,000.00	<u>\$14,000.00</u>
Salary Expenses other Employees	\$65,926.47	<u>\$188,799.16</u>
Employee Benefits & Pensions	\$3,960.96	<u>\$6,679.22</u>
Payroll Taxes	\$4,593.46	<u>\$24,748.16</u>
Other Taxes	0	<u>\$1,575.96</u>
Rent and Lease Expense	0	<u>0</u>
Interest Expense	0	<u>0</u>
Insurance	\$681.00	<u>\$9,121.66</u>
Automobile and Truck Expense	\$6,084.98	<u>\$11,370.17</u>
Utilities (gas, electric, phone)	\$4,284.86	<u>\$12,086.61</u>
Depreciation	0	<u>0</u>
Travel and Entertainment	\$1,089.78	<u>\$1,364.38</u>
Repairs and Maintenance	\$5,844.36	<u>\$8,891.73</u>
Advertising	\$13,687.03	<u>\$28,436.83</u>
Supplies, Office Expense, etc.	\$31,201.96	<u>\$66,624.07</u>
Other Specify Rebates, Bank Fees & Credit Card Fees	\$15,820.71	<u>\$30,700.20</u>
Other Specify Shipping & Donations	\$31,927.22	<u>\$94,473.43</u>
<b>TOTAL EXPENSES:</b>	<u>\$193,102.79</u>	<u>\$498,871.58</u>
<b>NET OPERATING PROFIT/(LOSS)</b>	<u>(\$10,171.86)</u>	<u>\$65,290.28</u>
<b>Add: Non-Operating Income:</b>		
Interest Income	_____	_____
Other Income	_____	_____
<b>Less: Non-Operating Expenses:</b>		
Professional Fees	_____	_____
Other	_____	_____
<b>NET INCOME/(LOSS)</b>	<u>(\$10,171.86)</u>	<u>\$65,290.28</u>

Form 2

## BALANCE SHEET

Period Ending: 12/31/24

Case No: 24-31912-jda

	<u>Current Month</u>	<u>Prior Month</u>	<u>At Filing</u>
<b>ASSETS:</b>			
Cash:	\$217,622.20	\$9,973.13	
Inventory:	\$277,533.65	\$284,849.93	
Accounts Receivable:	\$192,822.80	\$180,482.00	
Insider Receivables	0	0	
Land and Buildings:	\$500,600.00	\$500,600.00	
Furniture, Fixtures & Equip:	\$398,327.00	\$398,327.00	
Accumulated Depreciation:	(\$26,963.00)	(\$26,963.00)	
Other:			
Other:			
<b>TOTAL ASSETS:</b>	<b>\$1,559,932.65</b>	<b>\$1,437,009.04</b>	
<b>LIABILITIES:</b>			
Post-petition Liabilities:			
Accounts Payable:			
Rent and Lease Payable:			
Wages and Salaries:			
Taxes Payable:			
Other:			
<b>TOTAL Post-petition Liabilities</b>	<b></b>	<b></b>	
Secured Liabilities:	\$376,292.84	\$376,292.84	
Subject to Post-petition Collateral or Financing Order	\$1,164,016.86	\$1,164,016.86	
All Other Secured Liabilities			
<b>TOTAL Secured Liabilities</b>	<b>\$1,540,309.70</b>	<b>\$1,540,309.70</b>	
Pre-petition Liabilities:			
Taxes & Other Priority Liabilities	\$12,372.69	\$12,372.69	
Unsecured Liabilities:	\$1,243,547.23	\$1,243,547.23	
Other:			
<b>TOTAL Pre-petition Liabilities</b>	<b>\$1,255,920.42</b>	<b>\$1,255,920.42</b>	
Equity:			
Owners Capital:	\$1,000.00	\$1,000.00	
Retained Earnings-Pre Petition.	(\$1,237,297.47)	(\$1,360,21.08)	
Retained Earnings-Post Petition.			
<b>TOTAL Equity:</b>	<b>\$1,559,932.65</b>	<b>\$1,437,009.04</b>	
<b>TOTAL LIABILITIES</b>	<b>\$4,034,527.59</b>	<b>\$4,157,451.12</b>	
<b>/AND EQUITY</b>	<b>(\$2,474,594.94)</b>	<b>(\$2,720,442.08)</b>	

# SUMMARY OF OPERATIONS

Period Ended: 12/31/24

Case No: 24-31912-jda

## Schedule of Post-Petition Taxes Payable

	<u>Beginning Balance</u>	<u>Accrued/ Withheld</u>	<u>Payments/Deposits</u>	<u>Ending Balance</u>
<b>Income Taxes Withheld:</b>				
Federal:	0	\$5,301.00	\$5,301.00	0
State:	\$2,725.78	\$2,253.47	\$2,725.78	\$2,253.47
Local:				
<b>FICA Withheld:</b>		\$3,521.80	\$3,521.80	0
Employers FICA:		\$3,521.80	\$3,521.80	0
<b>Unemployment Tax:</b>				
Federal:	\$36.00	\$48.00	0	\$84.00
State:	\$150.00	\$200.00	0	\$350.00
<b>Sales, Use &amp; Excise Taxes:</b>				
Property Taxes:	\$11,000.00			\$11,000.00
<b>Workers' Compensation</b>				
<b>Other: Medicare</b>		\$823.66	\$823.66	0
<b>TOTALS:</b>				

## AGING OF ACCOUNTS RECEIVABLE AND POST-PETITION ACCOUNTS PAYABLE

Age in Days Post Petition	0-30	30-60	Over 60
Accounts Payable			
Accounts Receivable	\$173,432.27	\$18,657.27	\$733.26

For all post-petition accounts payable over 30 days old, please attach a sheet listing each such account, to whom the account is owed, the date the account was opened, and the reason for non-payment of the account.

Describe events or factors occurring during this reporting period materially affecting operations and formulation of a Plan of Reorganization:

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**MONTHLY CASH STATEMENT**  
Period Ending: 12/31/24

Cash Activity Analysis (Cash Basis Only):

Case No: 24-31912-jda

	General Acct.	Payroll Acct.	Tax Acct.	Cash Coll. Acct	Petty Cash Acct.
A. Beginning Balance	\$94,993.50				
B. Receipts (Attach separate schedule)	\$475,083.52				
C. Balance Available (A + B)					
D. Less Disbursements (Attach separate schedule)	\$352,454.82				
E. ENDING BALANCE (C - D)	\$217,622.20				

**ATTENTION: Please enter the TOTAL DISBURSEMENT from all your accounts, including cash and excluding transfers, onto the line below. This is the number that will determine your quarterly fee payment. \$ \_\_\_\_\_**

(PLEASE ATTACH COPIES OF MOST RECENT RECONCILED BANK STATEMENTS FROM EACH ACCOUNT)

General Account:

1. Depository Name & Location Huntington Bank - Court St Burton, MI
2. Account Number 01383421525

Payroll Account:

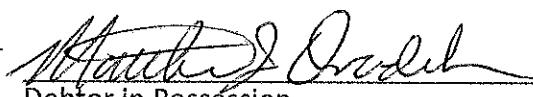
1. Depository Name & Location \_\_\_\_\_
2. Account Number \_\_\_\_\_

Tax Account:

1. Depository Name & Location \_\_\_\_\_
2. Account Number \_\_\_\_\_

Other monies on hand (specify type and location) i.e., CD's, bonds, etc.):

Date: 1-16-25

  
Debtor in Possession

Form 5

## MONTHLY STATEMENT OF INSIDER COMPENSATION/PAYMENTS

Period Ending: 12/31/24

Case No: 24-31912-jda

The following information is to be provided for each shareholder, officer, director, manager, insider, or owner that is employed by the debtor in possession. (Attach additional pages if necessary.)

Name: <u>Matthew Ovadek</u>	Capacity:	<input checked="" type="checkbox"/> Shareholder
		<input type="checkbox"/> Officer
		<input type="checkbox"/> Director
		<input type="checkbox"/> Insider

Detailed Description of Duties: General Manager

<b>Current Compensation Paid:</b>	Weekly	or	Monthly
			<u>\$4,000.00</u>

<b>Current Benefits Paid:</b>	Weekly	or	Monthly
Health Insurance			<u>\$1,146.5+</u>
Life Insurance			
Retirement			
Company Vehicle			
Entertainment			
Travel			
Other Benefits			<u>\$37.50</u>
Total Benefits			

<b>Current Other Payments Paid:</b>	Weekly	or	Monthly

Rent Paid			
Loans			
Other (Describe)			
Other (Describe)			
Other (Describe)			
Total Other Payments			

<b>CURRENT TOTAL OF ALL PAYMENTS:</b>	Weekly	or	Monthly
			<u>\$5,184.09</u>

Dated: 1-16-25

  
Matthew Ovadek  
 Principal, Officer, Director, or Insider

Period Ending: 12-31-24

Case No: 24-31912-jda

The following information is to be provided for each shareholder, officer, director, manager, insider, or owner that is employed by the debtor in possession. (Attach additional pages if necessary.)

Name: Timothy Dera Capacity:  Shareholder  
 Officer  
 Director  
 Insider

Detailed Description of Duties: Clean & office

Current Compensation Paid:	Weekly	or	Monthly
			<u>\$ 4000</u>

Current Benefits Paid:	Weekly	or	Monthly

Health Insurance			
Life Insurance			
Retirement			
Company Vehicle			
Entertainment			
Travel			
Other Benefits			<u>37.50</u>
Total Benefits			

Current Other Payments Paid:	Weekly	or	Monthly

Rent Paid			
Loans			
Other (Describe)			
Other (Describe)			
Other (Describe)			
Total Other Payments			

CURRENT TOTAL OF ALL PAYMENTS:	Weekly	or	Monthly
			<u>\$ 4032.50</u>

Dated: 1-19-25Timothy Dera  
Principal, Officer, Director, or Insider

## SCHEDULE OF IN-FORCE INSURANCE

Period Ending: 12/31/24

Case No: 24-31912-jda